

IN THE MATTER OF FACTFINDING

BETWEEN)	
CITY OF MASON CITY,)	
PUBLIC EMPLOYER,)	HUGH J. PERRY, FACTFINDER
AND)	
)	Recommendations issued
TEAMSTERS LOCAL NO. 828,)	May 30, 2003
EMPLOYEE ORGANIZATION.)	

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APPEARANCES:

FOR CITY OF MASON CITY:

Charles W. McManigal, Attorney
Brian Carrott, Human Resources

FOR TEAMSTERS LOCAL 828:

Ron Wheeler, Secretary/Treasurer Local 828
David Houser, Steward

BACKGROUND

Teamsters Local 828 represents a bargaining unit comprised of some 51 employees of the Mason City Police Department including 3 sergeants, 35 patrol officers, 9 dispatchers, 2 utility, and 1 parking enforcement. The parties have been bargaining for a number of years and are concluding a 1 year contract, July 1, 2002 to June 30, 2003. They have resolved all impasse issues with the exception of **Wages** (Article 29) and **Insurance** (Article 26). They have engaged statutory fact-finding to resolve these two issues and have extended the time lines contained in the Public Employees Relations Act to complete impasse procedures. There are two other bargaining units in the city, a unit of Firefighters who are completing the second year of a two year agreement and a unit of public works employees represented by AFSCME who were scheduled to commence mediation in the week following this hearing which was held on May 16, 2003 at the City Hall in Mason City. In making the recommendations which follow, I have considered the criteria set forth in section 20.22(9) of the Public Employment Relations Act.

IMPASSE ISSUES

The issues for recommendation are **Wages** and **Insurance**.

CURRENT CONTRACT

Wages. The current contract provides for wages in Schedule A as follows:

A. Division #1 - Utility Officers

Starting	\$13.69
1 Year	\$14.17
2 Years	\$14.60
3 Years	\$14.96
4 Years	\$15.25

B. Division #2 - Parking Enforcement

Starting	\$10.68
1 Year	\$11.05
2 Years	\$11.39
3 Years	\$11.67
4 Years	\$11.91
10 Years	\$12.22
15 Years	\$12.63
20 Years	\$13.14

C. Division #3 - Police Officers

Starting	\$15.66
1 Year	\$16.20
2 Years	\$16.69
3 Years	\$17.11
4 Years	\$17.45
5 Years	\$17.72
6 Years	\$17.89
7 Years	\$18.07
8 Years	\$18.25
9 Years	\$18.43
10 Years	\$18.61
12 Years	\$18.80
14 Years	\$18.99
16 Years	\$19.18
18 Years	\$19.37
20 Years	\$19.56

D. Division #4 - Communications Officers

Starting	\$12.37
1 Years	\$12.81
2 Years	\$13.19
3 Years	\$13.52
4 Years	\$13.79
5 Years	\$14.00
6 Years	\$14.14
7 Years	\$14.28
8 Years	\$14.42
9 Years	\$14.56
10 Years	\$14.72
15 Years	\$15.13
20 Years	\$15.65

E. Division # 5 - Sergeants

Starting	n/a
1 Year	n/a
2 Years	n/a
3 Years	\$19.08
4 Years	\$19.46
5 Years	\$19.75
6 Years	\$19.94
7 Years	\$20.15
8 Years	\$20.34
9 Years	\$20.55
10 Years	\$20.75
12 Years	\$20.96
14 Years	\$21.18
16 Years	\$21.38
18 Years	\$21.60
20 Years	\$21.82

Notable about this schedule is that it provides for periodic steps for employees during their tenure with the City and all except the top employees may be entitled to a step increase as well as the general across the board increase negotiated.

Insurance. The employees currently enjoy a Blue Cross-Blue Shield Protector 100 health insurance

plan with the Alliance Select Option. The City pays one hundred eighty six dollars and nineteen cents (\$186.19) toward the cost of single coverage (100%) and four hundred twenty one dollars and eighty seven cents (\$421.87) toward the cost of family coverage. An employee who takes the family coverage is required to pay \$25.00 per month toward the family premium. It is projected that rates will increase by 25% for the next contract. Thirty two (32) out of fifty one (51) bargaining unit members take the family insurance.

POSITIONS OF THE PARTIES

Wages

The Union proposes a 7% across the board increase for all employees plus an additional 2% increase for Division 3 and 5 employees (Police Officers and Sergeants) at the 18 and 20 years steps and an additional 2% increase for Division 2 and 4 employees (Parking Enforcement and Communications Officers) at the 20 year step. In support of its position the Union uses comparability data from the communities of Cedar Falls, Bettendorf, Urbandale, Clinton, Ankeny, Burlington, Marion, Marshalltown and Fort Dodge. It argues that such Iowa cities are similar in population to Mason City, population 29,172. The Union compares top steps in the wage scales provided in the contracts in such communities and concludes as follows: That Sergeants in Mason City are paid 17.86% or \$8,108 below average, that patrol officers are paid 8.97% or \$3,650 below average and communication officers/dispatchers are paid 11% or \$3,587 below the average. The Union pointed out that many of these other cities provide a longevity benefit while Mason City employees have none. Mason City does have a shift differential that two of the other communities don't offer and an educational incentive offered by only two of the other employers. The Union argues that a 7% across the board increase is necessary to help these employees catch up to the wages paid similar employees in these comparable communities and that some of the steps in the schedule are in need of improvement. The Union acknowledges that this is a young police department with only a handful of employees at the top of the schedule. Last year 15 and 20 year steps were added to the schedule for parking enforcement and communication employees. The Union contends that the parties have historically worked on step improvement in the wage schedule.

The City proposes a 3% across the board increase for employees in the bargaining unit. Its comparability group differs from that advanced by the Union. The City's grouping includes the communities of Ankeny, Charles City, Clear Lake, Clinton, Fort Dodge, Marshalltown, Newton, Ottumwa, Spencer and Webster City. Many of these communities (Charles City, Clear Lake, Spencer and Webster City) are significantly smaller in population than Mason City. The City's comparability data from these cities indicates that Police Officers in Mason City are paid 6.67% or \$2,174 above average at the starting wage and 11.01% or \$4,998 above average for top salary. Using

a similar analysis, communications officers in Mason City are 13.07% or \$2,974 above average at starting wage and 11.69% or \$3,406 above average at top wage. The City argues that a 3% wage increase this bargaining year is equitable and appropriate. The City notes that its proposal will generate an average wage increase of 3% (\$1,060) per employee plus step increases while the Unions proposal will generate a 7.45% (\$2,633) per employee increase. Such an increase is not warranted or justified. The consumer price index 10 year average is 2.53%. The City argues that its comparability grouping is more appropriate than the one advanced by the Union. Its cities are in the general area. Many of those in the Union's grouping are near major metropolitan areas while Mason City is located in an area of North Central Iowa by itself. This factor impacts on wages paid, benefits provided and the cost of living in an area. An example of this is that the median home value in Mason City is \$72,700 versus an average of \$82,500 statewide. The City notes that its firefighters will receive a 3% across the board increase in the second year of its two year contract and that a 3% across the board increase is scheduled for all non bargaining unit personnel in the city. The City points out that the City's contribution to the police and fire retirement system will increase for the next contract from 17% to 20.48% further increasing its burden to finance wages and benefits. The City notes that its certified general fund operating budget for fiscal year 2004 is \$12,248,961. Of this \$3,495,281 (28.5%) constitutes the operating budget for the police department. A significant portion of this (\$1,684,389) comes from property taxes. The City contends that it has made some very difficult decisions to hold down tax rates and live within its means. Its 2004 budget maintains a full complement of full time employees with no reductions or cuts in employment levels. The City has had no difficulty in attracting and retaining qualified employees in this bargaining unit. There is no justification for a wage increase of the magnitude proposed by the Union.

Insurance

The Union proposes that the current insurance benefit remain in the contract unchanged. In support of its position it notes that no other Mason City employees pay anything toward the cost of family insurance and that to ask these employees to pay an additional \$25 per month or \$50 per month for family insurance is not reasonable or justified.

The City proposes that the employees who take family insurance pay an additional \$25 per month for family insurance or a total of \$50 per month. The City points to dramatically escalating insurance premiums (a projected 25% increase for the next contract) and argues that these employees should bear some of the increased cost of this benefit. \$50 per month would still be a relatively small part of the overall cost of this benefit. The City notes that these employees have contributed \$25 per month toward this benefit since 1989 and although rates have risen dramatically since this time, these employees have not been requested to pay more toward this benefit.

DISCUSSION

Wages. The parties do not agree on an appropriate comparability group for the purpose of making wage and benefit comparisons. The Union advances a group of similar sized cities throughout Iowa, many near larger population centers and in Eastern Iowa where wages and benefits tend to be somewhat higher. The City advances a group of communities in the area some with less than half the population of Mason City. It is a statistical fact that generally the larger the community, the higher the wages paid and the greater the benefits provided. Mason City does stand alone somewhat in north central Iowa and this fact serves to temper the cost of living and the wages and benefits which must be provided to remain competitive. Each party makes a point with its group and, typical of these disputes, there is merit in both parties arguments. The data does not support a wage increase in excess of 7% as proposed by the Union. Similarly, I find no compelling reason to increase the step structure of the current wage schedule. First, by the Union's own admission, this is group of fairly young employees still advancing on the current schedule. But more importantly, these types of changes in a contract are far better left to the give and take of collective bargaining than resolved through the process of factfinding and arbitration.

Insurance. With respect to health insurance, although there is evidence that this benefit has dramatically increased in cost over the previous years, I am not persuaded that these employees should be required to double their contribution toward this benefit. No other city employees are presently required to contribute toward family health insurance.


RECOMMENDATIONS

Based upon the above discussion, I make the following recommendations:

Wages - These employees should receive an across the board wage increase of 3.5% effective July 1, 2003.

Insurance - The insurance benefit contained in the current contract should continue unchanged for the contract effective July 1, 2003 to June 30, 2004.

Signed this 30th day of May, 2003.



(Hugh) J. Perry, Factfinder


CERTIFICATE OF SERVICE

I certify that on the 30th day of May, 2003, I served the foregoing Recommendations of Factfinder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Ron Wheeler
Sec/Treas Teamsters Local 828
404 15th Street Northwest
Mason City, Iowa 50401

Brian Carrott
Mason City - Human Resources
10 1st Street Northwest
Mason City, Iowa 50401

I further certify that on the 30th day of May, 2003, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, IA 50309.



Hugh J. Perry, Factfinder

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